

Crocs Inc.

(NYSE: CROX)

RATING: **BUY**

EARLY RELEASE OF DISAPPOINTING RESULTS DUE TO DISAPPOINTING RETAIL SALES. THIS IS NOT 2007/2008 ALL OVER AGAIN. LOWERING ESTIMATES AND PRICE TARGET.

■ **Disappointing earnings and 4Q11 outlook:** In a major surprise this evening, CROX lowered 3Q11 EPS guidance from \$0.40 to \$0.31-\$0.33, and lowered revenue guidance from \$280M to \$273M-\$275M. The revised EPS guidance reflects EBIT margin of ~13%, down ~300BPS from the original guidance but up ~90bps from 3Q10. The earnings miss was driven by light retail sales in North American outlets and kiosks that respectively had too little promotional product and could not effectively house new fall goods, and weaker than planned European retail sales. Retail sales have meaningful incremental margins, meaning that the modest top-line miss had a pronounced impact on the bottom line. The weak sales resulted in lower than planned penetration of the higher margin retail sales which was exacerbated by supporting some wholesale revenue with product that was slated to retail. Wholesale revenue exceeded the company's expectation. In the press release and subsequent discussions with management, full financial details were not provided and will not be until the earnings call on October 27.

■ **Not 2007 but not pretty:** Inventory levels are expected to be slightly down from \$156M on a sequential basis, which means that inventory will likely be up around 7% and at most 9% on a year-over-year basis. Given that 3Q sales were up ~27% and 4Q11 has been guided to a low teens revenue increase versus our prior estimate for a 26% increase, inventory levels are well positioned.

■ **Strong wholesale backlog indicates strength into 2012:** The backlog for the next 6 months is \$297M (+30% y/y). We believe that 4Q backlog is up 18%-20% and 1Q12 is up 33%-35%. The company expects relative weakness in European markets, which surprised us as we thought that the small size of the business there would result in growth. Recent channel checks with major retailers indicate that sales of Crocs' new styles remain strong and are accelerating and those retailers are planning Crocs up double digits in 2012. The planned increases will come through broader assortments and increased door counts as well.

■ **Lowering estimates and price target:** We are lowering our 3Q11, 4Q11, FY11 and FY12 EPS estimates from \$0.40, \$0.15, \$1.38, and \$1.69 to \$0.32, \$0.05, \$1.19, and \$1.42. We are lowering our price target to \$30 from \$40. We still see strength in the overall brand and do not believe that the \$5M miss is indicative of brand weakness. However, given the company's history in 2007 and 2008, we would expect the stock to be in the penalty box in the near term. We do not believe the weakness in Europe is endemic of broader problems there. Rather, we believe that Crocs is having issues with its distributor partners which need resolution. Crocs' senior management will be joining us at an event this weekend and we hope to get some more items clarified at that time. In the meantime we believe the weakness provides a buying opportunity.

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Fiscal Year Ends Dec

| | |
|-----------------------------|-----------------|
| Rating: | Buy |
| Price: Close | \$26.64 |
| Price Target: | \$30.00 |
| 52-wk Range: | \$13.20-\$32.47 |
| Market Capitalization (M): | \$2,419 |
| Shares Outstanding (M): | 90.8 |
| Assets (M): | 683.5 |
| Avg. Daily Vol. (000): | 2,484.6 |
| Dividend Yield: | 0.00% |
| Net Debt/EBITDA: | -0.7x |
| Enterprise Value: | \$2,242 |
| Consensus EPS Current Year: | \$1.39 |
| Consensus EPS Next Year: | \$1.67 |
| FCF Yield: | 1.8% |
| Insider Holdings: | 1.8% |

Earnings Summary

| FYE Dec | 2010A | 2011E | 2012E |
|-------------|-------|-------|-------|
| EBITDA (M): | -- | 175 | 213 |

EPS & P/E Summary

| EPS: | 2010A | 2010 Prior | 2011E | 2011 Prior | 2012E | 2012 Prior |
|------------|--------|------------|--------|------------|--------|------------|
| | Q1 | \$0.10 | -- | \$0.25 | -- | \$0.32 |
| Q2 | \$0.37 | -- | \$0.58 | -- | \$0.61 | \$0.66 |
| Q3 | \$0.25 | -- | \$0.32 | \$0.40 | \$0.40 | \$0.50 |
| Q4 | \$0.05 | -- | \$0.05 | \$0.15 | \$0.10 | \$0.20 |
| Full Year | \$0.76 | -- | \$1.19 | \$1.38 | \$1.42 | \$1.69 |
| P/E Ratio: | 35.1x | -- | 22.3x | -- | 18.7x | -- |



Source: Factset

Important Disclosures regarding Price Target Risks, Valuation Methodology, Regulation Analyst Certification, Investment Banking, Ratings Definitions, and potential conflicts of interest begin on Page I of the Appendix Section.

Quarterly Estimates

Figure 1: Changes in Estimates

| | 3Q11E | Estimate | Variance | 3Q10A | Variance |
|------------------|--------|----------|----------|--------|----------|
| Revenue | 274.4M | 280.5M | (2.2%) | 215.6M | 27.3% |
| Gross Margin | 54.00% | 54.70% | (70)bps | 55.10% | (110)bps |
| SG&A % of Sales | 40.88% | 38.42% | 246bps | 42.76% | (188)bps |
| Operating Margin | 13.1% | 16.3% | (316)bps | 12.3% | 77bps |
| EBITDA | 46.0M | 55.7M | (17.4%) | 35.7M | 28.9% |
| Adjusted EPS | \$0.32 | \$0.40 | (21.3%) | \$0.25 | 28.3% |

Source: Sterne Agee Estimates and Company Reports

Sterne Agee Outlook

Figure 2: Changes in FY11 & '12 Estimates

| | 2011 | | 2012 | |
|------------------|----------|----------|----------|----------|
| | Estimate | Prior | Estimate | Prior |
| Revenue | 1,001.0M | 1,028.4M | 1,185.3M | 1,217.9M |
| Gross Margin | 53.62% | 54.03% | 53.12% | 54.21% |
| SG&A % of Sales | 40.17% | 38.89% | 39.37% | 38.29% |
| Operating Margin | 13.4% | 15.1% | 13.8% | 15.9% |
| EBITDA | 175M | 196M | 213.2M | 244.1M |
| Adjusted EPS | \$1.19 | \$1.38 | \$1.42 | \$1.69 |

Source: Sterne Agee Estimates

Valuation and Risks

Figure 3: Relative Valuation

| Ticker | Price | Market Cap | EV | Short | FY1 PE | FY1 Rel PE | FY1 EV/EBITD | FY1 EV/S | FY2 PE | FY2 Rel PE | FY2 EV/EBITDA | FY2 EV/S |
|-------------------------|----------|------------|----------|-------|--------|------------|--------------|----------|--------|------------|---------------|----------|
| CROX | \$26.64 | \$2,413 | \$2,248 | 8% | 19.2x | 1.52x | 11.6x | 2.20x | 16.0x | 1.42x | 10.0x | 1.87x |
| DECK | \$104.37 | \$4,097 | \$3,791 | 11% | 20.7x | 1.63x | 13.6x | 2.98x | 16.1x | 1.43x | 10.1x | 2.44x |
| WWW | \$36.60 | \$1,877 | \$1,818 | 5% | 14.4x | 1.14x | 9.5x | 1.28x | 12.3x | 1.10x | 8.1x | 1.17x |
| SKX | \$13.66 | \$551 | \$614 | 17% | NM | NM | NM | 0.34x | 20.8x | 1.85x | 7.2x | 0.35x |
| COLM | \$47.11 | \$1,703 | \$1,403 | 9% | 16.9x | 1.34x | 8.2x | 0.82x | 15.3x | 1.36x | 7.2x | 0.76x |
| VFC | \$130.76 | \$14,696 | \$15,223 | 4% | 16.6x | 1.31x | 10.5x | 1.64x | 13.7x | 1.22x | 9.0x | 1.28x |
| UA | \$72.48 | \$2,966 | \$3,837 | 9% | 38.6x | 3.05x | 18.6x | 2.63x | 32.4x | 2.88x | 15.5x | 2.09x |
| NKE | \$91.02 | \$34,743 | \$40,868 | 1% | 18.4x | 1.45x | 11.8x | 1.72x | 15.5x | 1.38x | 10.6x | 1.57x |
| TBL | \$42.99 | \$1,731 | \$1,951 | | 21.3x | 1.68x | 11.0x | 1.18x | 17.8x | 1.58x | 9.4x | 1.09x |
| Group Mean | | | | | 20.98x | 1.66x | 11.89x | 1.57x | 17.99x | 1.60x | 9.64x | 1.34x |
| CROX Prem (Disc) | | | | | (8%) | (8%) | (3%) | 40% | (11%) | (11%) | 4% | 39% |

Source: FactSet and Company Reports

Since the '06 IPO, CROX has traded at an average of 20.5x, 23.8x and 46.9X FTM, FY1 and FY2 EPS estimates. The FY1 range has been predictably wide, ranging from 4.6x to 52x. EBITDA multiples have likewise been incredibly volatile, with wide ranges. Multiples breached the upper ranges when sales growth exceeded 200% and approached cycle lows in '09 when covenants were breached, massive write-downs were incurred and going concern issues were raised.

Our \$30 price target reflects a P/E of 25.1x and 21.1x FY1 and FY2 estimates, and an EV/EBITDA multiple of 14.6x and 11.9x our FY1 and FY2 estimates. The P/E multiple has exhibited the tightest correlation with forecasted sales growth (~60%). We believe that historical trading ranges for CROX have very little applicability given parabolic growth in the early years and the subsequent collapse in earnings. Rather, we believe that

the peer group multiple is the appropriate valuation metric and a premium/discount should be appropriate for prospective sales growth.

Risks

Given the high-growth period we foresee ahead, there are considerable operational risks and potential pitfalls confronting CROX. Most notable among these include: distribution expansion in a non-rational, measured manner which thereby alienates existing wholesale customers; the oversaturation of the brand by increasing retail distribution points thereby lessening exclusivity within the mall; decreasing productivity and ROIC of retail operations as increasingly less productive sites are selected; increasing fixed-cost structure associated with the assumption of international distributors and retail expansion at a time when product becomes increasingly fashion driven; increased inventory risk due to retail partner reliance upon high fill rate on replenishment (compensating for earlier missteps); meaningful sourcing pressures due to high China manufacturing exposure (~80%); global economic uncertainty and dependence upon IP for competitive advantage.

Crocs Inc. Quarterly Income Statement

| | 1Q10 | 2Q10 | 3Q10 | 4Q10 | FY10 | 1Q11 | 2Q11 | 3Q11E | 4Q11E | FY11E | 1Q12E | 2Q12E | 3Q12E | 4Q12E | FY12E |
|--------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|---------|---------|---------|---------|-----------|
| Revenue | \$166.9 | \$228.0 | \$215.6 | \$179.2 | \$789.7 | \$226.7 | \$295.6 | \$274.4 | \$204.3 | \$1,001.0 | \$267.4 | \$351.0 | \$325.5 | \$241.5 | \$1,185.3 |
| Cost of Sales | 80.1 | 96.1 | 96.8 | 92.9 | 365.9 | 107.5 | 125.4 | 126.2 | 105.2 | 464.3 | 128.4 | 154.4 | 149.7 | 123.2 | 555.7 |
| Gross Profit | 86.7 | 131.9 | 118.8 | 86.3 | 423.8 | 119.2 | 170.2 | 148.2 | 99.1 | 536.7 | 139.0 | 196.5 | 175.8 | 118.3 | 629.7 |
| SG&A | 74.6 | 92.9 | 92.2 | 81.1 | 342.1 | 88.6 | 107.6 | 112.2 | 93.7 | 402.1 | 102.9 | 127.0 | 130.1 | 106.7 | 466.6 |
| EBIT | 12.1 | 39.0 | 26.6 | 5.2 | 81.6 | 30.6 | 62.6 | 36.0 | 5.4 | 134.6 | 36.2 | 69.5 | 45.7 | 11.7 | 163.1 |
| Net Interest Expense | 0.1 | 0.2 | 0.2 | 0.2 | 0.7 | 0.2 | 0.2 | 0.2 | 0.2 | 0.6 | 0.2 | 0.3 | 0.5 | 0.6 | 1.6 |
| Miscellaneous Inc/(Exp) | 0.2 | 0.3 | 0.2 | 0.0 | 0.7 | (1.2) | 3.3 | 0.0 | 0.0 | 2.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EBT | 12.1 | 39.2 | 26.7 | 5.0 | 82.9 | 29.2 | 65.6 | 35.8 | 5.2 | 135.8 | 36.0 | 69.2 | 45.2 | 11.0 | 161.4 |
| Income taxes | 3.4 | 6.6 | 5.2 | 0.9 | 16.1 | 6.5 | 12.9 | 7.2 | 1.0 | 27.6 | 7.2 | 13.8 | 9.0 | 2.2 | 32.3 |
| Non-Controlling | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Normalized Earnings | 8.7 | 32.6 | 21.5 | 4.1 | 66.9 | 22.7 | 52.7 | 28.6 | 4.2 | 108.2 | 28.8 | 55.4 | 36.2 | 8.8 | 129.2 |
| Restructuring Charges | 2.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Impairment Charges | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Charges | (0.3) | 0.3 | 0.0 | 0.0 | 0.0 | 1.0 | 0.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total One-Time Charges (Gains) | 2.4 | 0.3 | (3.0) | (0.1) | 0.0 | 1.1 | 0.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| GAAP Earnings | 6.3 | 32.3 | 24.5 | 4.2 | 66.9 | 21.6 | 51.9 | 28.6 | 4.2 | 108.2 | 28.8 | 55.4 | 36.2 | 8.8 | 129.2 |
| EBITDA | 20.9 | 47.8 | 35.7 | 15.6 | 118.7 | 40.4 | 72.1 | 46.0 | 16.0 | 174.6 | 47.8 | 81.7 | 58.5 | 25.2 | 213.2 |
| WASO | 87.2 | 87.5 | 87.2 | 86.4 | 87.1 | 90.3 | 90.8 | 90.8 | 90.8 | 90.7 | 90.8 | 90.8 | 90.8 | 90.8 | 90.8 |
| GAAP EPS | \$0.07 | \$0.37 | \$0.28 | \$0.05 | \$0.77 | \$0.24 | \$0.57 | \$0.32 | \$0.05 | \$1.17 | \$0.32 | \$0.61 | \$0.40 | \$0.10 | \$1.42 |
| Normalized EPS | \$0.10 | \$0.37 | \$0.25 | \$0.05 | \$0.77 | \$0.25 | \$0.58 | \$0.32 | \$0.05 | \$1.19 | \$0.32 | \$0.61 | \$0.40 | \$0.10 | \$1.42 |
| Margin Analysis | | | | | | | | | | | | | | | |
| Gross Margin % | 51.96% | 57.85% | 55.10% | 48.18% | 53.66% | 52.58% | 57.59% | 54.00% | 48.50% | 53.62% | 52.00% | 56.00% | 54.00% | 49.00% | 53.12% |
| Inc/(Dec) GPM | 115.69% | 167.52% | 99.17% | 60.29% | 104.69% | 54.30% | 56.71% | 49.95% | 50.79% | 53.44% | 48.76% | 47.53% | 54.00% | 51.75% | 50.45% |
| SG&A % | 44.73% | 40.74% | 42.76% | 45.26% | 43.32% | 39.09% | 36.42% | 40.88% | 45.84% | 40.17% | 38.47% | 36.19% | 39.96% | 44.17% | 39.37% |
| Inc/(Dec) SG&A | 18.43% | 6.38% | 39.59% | 23.78% | 24.04% | 23.36% | 21.81% | 34.00% | 50.00% | 28.38% | 35.00% | 35.00% | 35.00% | 35.00% | 35.00% |
| EBIT % | 7.24% | 17.10% | 12.34% | 2.92% | 10.34% | 13.49% | 21.17% | 13.12% | 2.66% | 13.45% | 13.53% | 19.81% | 14.04% | 4.83% | 13.76% |
| EBITDA % | 12.51% | 20.97% | 16.56% | 8.70% | 15.03% | 17.84% | 24.40% | 16.78% | 7.82% | 17.44% | 17.86% | 23.28% | 17.99% | 10.43% | 17.99% |
| Tax Rate % | 28.03% | 16.86% | 19.51% | 17.80% | 19.40% | 22.24% | 19.62% | 20.00% | 20.00% | 20.30% | 20.00% | 20.00% | 20.00% | 20.00% | 20.00% |
| Adj Net % | 3.79% | 14.16% | 12.46% | (8.64%) | 8.47% | 9.53% | 17.56% | 12.46% | (8.64%) | 10.81% | 9.53% | 17.56% | 12.46% | (8.64%) | 10.90% |
| Growth Analysis | | | | | | | | | | | | | | | |
| Revenue | 23.7% | 15.3% | 21.7% | 31.7% | 22.3% | 35.9% | 29.6% | 27.3% | 14.0% | 26.8% | 17.9% | 18.7% | 18.6% | 18.2% | 18.4% |
| Gross Profit | 74.3% | 62.6% | 47.3% | 43.2% | 55.2% | 37.5% | 29.0% | 24.7% | 14.8% | 26.6% | 16.6% | 15.5% | 18.6% | 19.4% | 17.3% |
| SG&A | 8.6% | 2.1% | 19.8% | 14.5% | 11.3% | 18.7% | 15.9% | 21.7% | 15.5% | 17.5% | 16.1% | 18.0% | 15.9% | 13.9% | 16.0% |
| EBIT | NM | NM | 619.0% | NM | NM | 153.3% | 60.4% | 35.2% | 3.8% | 64.8% | 18.3% | 11.1% | 27.0% | 114.7% | 21.2% |
| EBITDA | NM | NM | 172.4% | NM | 5194.6% | 93.7% | 50.9% | 28.9% | 2.5% | 47.1% | 18.1% | 13.3% | 27.2% | 57.7% | 22.1% |
| Normalized EPS | NM | NM | 1253.2% | NM | NM | 151.4% | 56.2% | 28.3% | (3.6%) | 55.9% | 26.2% | 5.0% | 26.4% | 111.5% | 19.2% |
| Efficiency Analysis | | | | | | | | | | | | | | | |
| GM YoY | 1510 | 1682 | 957 | 385 | 1137 | 62 | (26) | (110) | 32 | (5) | 0 | 0 | 0 | 0 | (49) |
| 2 Yr GM | 903 | 1732 | 1355 | 373 | 1154 | 1571 | 1656 | 846 | 417 | 1133 | 62 | (26) | (110) | 32 | (54) |
| SG&A YoY | (623) | (527) | (69) | (682) | (430) | (564) | (433) | (188) | 58 | (315) | (62) | (22) | (92) | (167) | (80) |
| EBIT YoY | 2133 | 2209 | 1025 | 1066 | 1567 | 626 | 407 | 77 | (26) | 311 | 4 | (136) | 92 | 217 | 31 |
| EBITDA YoY | 1956 | 2106 | 916 | 1050 | 1468 | 533 | 344 | 21 | (88) | 241 | 3 | (113) | 121 | 261 | 55 |
| GM QoQ | 763 | 1556 | 5510 | (379) | 548 | 440 | 392 | 5400 | (408) | 512 | 5200 | 400 | (200) | (500) | 412 |
| SG&A QoQ | (735) | (688) | 4276 | 53 | (194) | (617) | (690) | 4088 | 676 | (567) | 3847 | (227) | 376 | 421 | (481) |
| EBIT QoQ | 1498 | 2243 | 1234 | (432) | 742 | 1058 | 1083 | 1312 | (1084) | 1079 | 1353 | 627 | (576) | (921) | 893 |
| EBITDA QoQ | 1431 | 2062 | 1656 | (381) | 633 | 914 | 937 | 1678 | (1002) | 962 | 1786 | 542 | (529) | (756) | 756 |

Source: Company reports and Sterne Agee estimates

APPENDIX SECTION

Company Description: *Crocs is a designer, manufacturer and retailer of footwear for men, women and children. Crocs' products are built around a proprietary closed-cell resin material called Croslite. Crocs shoes are non-marking, skid-resistant, lightweight and odor-free. In addition to shoes, the company creates accessories and also owns Jibbitz, an add-on accessory company for Crocs shoes, and Ocean-Minded, an environmental-minded shoe and apparel company. Crocs sells its products globally through company-owned retail locations, kiosks, outlet stores and through wholesale accounts.*

IMPORTANT DISCLOSURES:

Price Target Risks & Related Risk Factors:

Risks to our investment thesis and the achievement of our price target include, but are not limited to, a company's failure to achieve Sterne, Agee & Leach, Inc., earnings and revenue estimates; unforeseen macroeconomic and/or industry events that adversely affect demand for a company's products or services; product obsolescence; changes in investor sentiment regarding the specific company or industry; intense and rapidly changing competitive pressures; the continuing development of industry standards; the company's ability to recruit and retain competent personnel; and adverse market conditions. For a complete discussion of the risk factors that could affect the market price of a company's shares, refer to the most recent Form 10-Q or 10-K that a company has filed with the Securities Exchange Commission, or contact Mr. Robert Hoehn, Director of Research at Sterne, Agee & Leach, Inc., at 1-212-338-4731.

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Methodology for assigning ratings and target prices includes qualitative and quantitative factors including an assessment of industry size, structure, business trends and overall attractiveness; management effectiveness; competition; visibility; financial condition; and expected total return, among other factors. These factors are subject to change depending on overall economic conditions or industry or company-specific occurrences. Sterne, Agee & Leach, Inc., analysts base valuations on a combination of forward looking earnings multiples, price-to-revenue multiples, and enterprise-value-to-revenue ratios. Sterne, Agee & Leach, Inc., believes this accurately reflects the absolute value of earnings, the earnings growth rate, the inherent profitability, and adjusted balance sheet factors. Additional company-specific valuation methodology is available through Sterne, Agee & Leach, Inc., by contacting Mr. Robert Hoehn, Director of Research, at Sterne, Agee & Leach, Inc., at 1-212-338-4731.

Regulation Analyst Certification:

I, Sam Poser, (212) 763-8226, Kenneth M. Stumphauzer, CFA, (212) 763-8287, hereby certify the views expressed in this research report accurately reflect my personal views about the subject security(ies) or issuer(s). I further certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by me in this report.

Sterne, Agee & Leach, Inc. Disclosure Legend as of October 17, 2011:

| Company | Disclosure(s) – See Below |
|---------------------------|---------------------------|
| Crocs Inc. (CROX - NYSE): | 1 |

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3. Sterne, Agee & Leach, Inc. received compensation for products or services other than investment banking services from the subject company in the past 12 months.
4. The Sterne Agee analyst who has active coverage on this company owns a position in the subject company.
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| | |
|----------------------|------------------------------------------------------------------------------------|
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| NEUTRAL: | We expect this stock to perform in line with the industry over the next 12 months. |
| UNDERPERFORM: | We expect this stock to underperform the industry over the next 12 months. |
| RESTRICTED: | Restricted list requirements preclude comment. |

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ADDITIONAL INFORMATION AVAILABLE UPON REQUEST: Contact Robert Hoehn at 1-212-338-4731.

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Price Chart(s):

To receive price charts or other disclosures on the companies mentioned in this report, please contact Sterne, Agee & Leach, Inc. toll-free at (800) 240-1438 or (205) 949-3689.



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EQUITY CAPITAL MARKETS

| | | | | | |
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INSTITUTIONAL SALES

| | | |
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|---------------|-----------------------------|----------------|

INSTITUTIONAL TRADING

| | | |
|----------------|-----------------|----------------|
| JT Cacciabauda | Head of Trading | (212) 763-8288 |
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EQUITY RESEARCH

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CONSUMER

Apparel Retailing & Toys

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Educational Services / Interactive Entertainment

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| Brett Strauser | Analyst | (214) 702-4009 |

Footwear & Apparel

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| Jessica Bornn | Associate | (212) 338-4721 |

Leisure & Entertainment

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Restaurants

| | | |
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| Philip May | Analyst | (214) 702-4004 |

ENERGY

Exploration & Production

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FINANCIAL SERVICES

Asset Management

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| Charles Warren | Analyst | (646) 376-5309 |

Banks & Thrifts

| | | |
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| Mike I. Shafir | SVP, Sr. Analyst | (212) 763-8239 |
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| Todd L. Hagerman | Mng. Dir. | (212) 338-4744 |
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FINANCIAL SERVICES (CONT.)

Life Insurance

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Mortgage Finance & Specialty Finance

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Property/Casualty Insurance

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GLOBAL INDUSTRIAL INFRASTRUCTURE (GII)

ACME & Latin America

| | | |
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TECHNOLOGY

Data Networking and Storage

| | | |
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Financial Technology

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Hardware, Mobile Devices, IT Supply Chain

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LED Supply Chain

| | | |
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Semiconductors

| | | |
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TRANSPORTATION, SERVICES & EQUIPMENT

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